



Hawker Siddeley Canada LTD.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Hawker Siddeley Canada Ltd. will be held in the Upper Canada Room of the Royal York Hotel, Toronto, Canada, on Friday, the 26th day of May, 1978, at the hour of 11:00 o'clock in the forenoon (Eastern Daylight Saving Time) for the following purposes:

1. To receive the Report of the Directors and the Consolidated Financial Statements of the Company and its subsidiaries for the fiscal year ended December 31, 1977 and the report of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the Directors to fix their remuneration; and
4. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

By Order of the Board

C. A. HAINES, Secretary

Toronto, April 20, 1978.

If you are unable to attend the meeting, you are requested to sign and return a proxy to the Secretary. A proxy form is enclosed for this purpose.

This notice is given to the preferred shareholders for their information only; such shareholders are not entitled to vote at the meeting.

PROXY INFORMATION CIRCULAR

Solicitation of Proxies

This information circular is furnished in connection with the solicitation by the management of Hawker Siddeley Canada Ltd. (the Company) of proxies to be used at the Annual General Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the notice of meeting. The solicitation will be by mail, the total cost of which will be borne by the Company.

Appointment and Revocation of Proxies

The persons named in the form of proxy enclosed herewith are directors of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. To be effective at the meeting or any adjourned meeting, a completed proxy must be deposited with the Secretary of the Company at least 48 hours before the time of the meeting or any adjourned meeting.

A shareholder who has given a proxy may revoke the proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of such meeting on the day of the meeting or adjournment thereof.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. In the absence of such direction, such shares will be voted for the election of directors and the appointment of auditors as stated under those headings in this

circular or withheld from voting if so indicated on the form of proxy. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters which may properly come before the meeting or any adjournment thereof. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

Voting Shares

On April 20, 1978 the Company had outstanding 7,712,010 Class A Convertible Common Shares and 417,331 Class B Convertible Common Shares (collectively "common shares") without nominal or par value entitled to be voted at the meeting carrying the right to one vote per share. To the knowledge of the Directors and Officers of the Company the only person or company beneficially owning or exercising control or direction over shares carrying more than 10% of the voting rights attached to the common shares of the Company is Hawker Siddeley Group Limited which controls 4,816,646 common shares of the Company representing 59.25% of all outstanding common shares.

Pursuant to the By-laws of the Company, the Directors have by resolution established Friday, May 19, 1978 as the record date in respect of the Annual General Meeting and accordingly the persons entitled to vote at the meeting or to be represented thereat by proxy will be shareholders of record at the close of business on Friday, May 19, 1978.

Election of Directors

The By-laws of the Company provide that there shall be a Board of thirteen directors of whom four shall constitute a quorum and that the directors shall hold office from the date of the meeting at which they are elected or appointed until the Annual Meeting next following or until their successors are elected or appointed. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are submitted below. Management is not aware that any such nominees would be unwilling to serve as a director if elected. In the event that prior to the meeting any vacancies occur in the slate of nominees submitted below the persons named in the enclosed form of proxy reserve the right to vote in their discretion for other nominees as directors.

Information Concerning Nominees as Directors

<u>Name and principal occupation</u>	<u>Year first became a Director</u>	<u>*Common shares held as of April 20, 1978</u>
I. E. BULL, Toronto, Ontario Vice-President and Treasurer of the Company	—	1
J. H. COLEMAN, Toronto, Ontario President, J. H. C. Associates Limited	1973	100
A. H. CROCKETT, Toronto, Ontario Deputy Chairman of the Board, Bank of Nova Scotia	1977	1
C. A. HAINES, Woodbridge, Ontario Secretary of the Company	—	1
SIR ARNOLD HALL, F.R.S., London, England Chairman of the Board of Directors of the Company Chairman and Managing Director of Hawker Siddeley Group Limited	1963	1
J. F. HOWARD, Woodbridge, Ontario Partner of Blake, Cassels & Graydon, Barristers & Solicitors	1974	1,501
A. J. LAURENCE, Pewsey, Wiltshire, England Finance Director of Hawker Siddeley Group Limited	1969	1
A. W. McKenzie, Mount Royal, Quebec Chairman and President of Canadian General Transit Company, Limited	1969	101

Name and principal occupation	Year first became a Director	*Common shares held as of April 20, 1978
L. A. MITTEN, Vancouver, British Columbia Vice-President of the Company	1975	100
J. N. PATERSON, Thunder Bay, Ontario Vice-Chairman of the Board of Directors of the Company Executive Vice-President & General Manager N. M. Paterson & Sons Limited	1975	3,000
K. L. PHILLIPS, Sutton, Surrey, England Head of Group Planning, Hawker Siddeley Group Limited	1968	1
E. J. WHITE, St. Lambert, Quebec Vice-President of the Company	1975	200
F. H. WOOD, Barrow-Upon-Soar, Leicestershire, England Vice-Chairman of the Board of Directors of the Company Director of Hawker Siddeley Group Limited	1977	1

The following nominee previously served as a director during the periods indicated: Sir Arnold Hall – June 5, 1963 to April 29, 1966 and from May 28, 1968 to date. Messrs. I. E. Bull and C. A. Haines have been employed as Executives of the Company for more than 5 years.

*This information has been provided by each nominee. As at April 20, 1978 the above nominees had holdings in the parent company, Hawker Siddeley Group Limited, as follows: Sir Arnold Hall, 4,000 Ordinary Shares; Mr. A. J. Laurence, 450 Preference Shares and 200 Ordinary Shares; Mr. K. L. Phillips, 4,000 Ordinary Shares; Mr. F. H. Wood, 3,456 Ordinary Shares.

DIRECTORS' AND OFFICERS' REMUNERATION FROM THE COMPANY AND ITS SUBSIDIARIES

NATURE OF REMUNERATION EARNED – 1977

	Directors' fees	Salaries & taxable benefits	* Bonuses Paid	Non-accountable expense	Others	Total
	\$	\$	\$	\$	\$	\$
Remuneration of Directors (as directors)						
(A) Number of directors: 13 (plus one former director)						
(B) Body Corporate incurring the expense						
Hawker Siddeley Canada Ltd..	32,542	—	—	—	—	32,542
Hawker Industries Limited....	1,000	—	—	—	—	1,000
Remuneration of Officers (as officers) who received aggregate remuneration in excess of \$40,000						
(A) Number of such officers: 8						
(B) Body Corporate incurring the expense						
Hawker Siddeley Canada Ltd.	—	506,079	13,003	—	—	519,082
Hawker Industries Limited....	—	1,875	—	—	—	1,875
TOTALS	<u>33,542</u>	<u>507,954</u>	<u>13,003</u>	<u>—</u>	<u>—</u>	<u>554,499</u>

*Under the Company's bonus arrangements, bonuses earned in one financial year are paid in the following year. The Company estimates net bonuses payable to the above officers in 1978 for the 1977 year will amount to approximately \$20,000.

The estimated aggregate cost to the Company and its subsidiaries for the fiscal year ended December 31, 1977 of all pension benefits proposed to be paid to officers of the Company under the Company's pension plan in the event of retirement at normal retirement age was \$68,708. Directors are not eligible to participate in the Company pension plan unless they are employees of the Company.

Directors' and Officers' Liability Insurance

Directors and officers are indemnified by the Company under its by-laws to the extent permitted by the Canada Corporations Act, and the Company insures itself against possible liabilities under this indemnification.

Insurance is also purchased by the Company for the benefit of directors and officers of the Company and its subsidiaries against liabilities incurred by them in such capacities, to the extent that these liabilities are not indemnified by the Company or by any subsidiary as the case may be. One comprehensive premium is paid for this policy. The estimated premium paid (on a per capita basis) for the thirteen directors of the Company, as a group, was \$643.63, and for the six officers of the Company who are not also directors, as a group, was \$297.06. Of these amounts \$643.63 was paid by the directors and the balance was paid by the Company. The policy carries a policy limit of \$5,000,000 per occurrence and per annum, has a \$7,500 deductible per individual and per claim (maximum \$25,000 aggregate per incident) and further is subject to a 5% coinsurance clause on the first \$1,000,000 of any claim in excess of the deductible.

Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote for the reappointment of Price Waterhouse & Co., Chartered Accountants, Toronto, Ontario, the present auditors, as auditors of the Company to hold office until the next Annual Meeting of the Shareholders.

Directors' Approval

The contents and the sending of this Circular have been approved by the Directors of the Company.

Dated as of April 20, 1978.

C. A. HAINES,
Secretary.